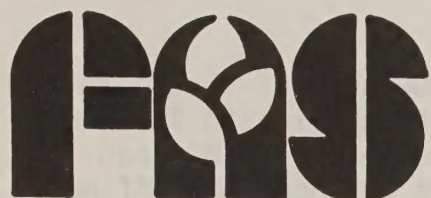


## **Historic, Archive Document**

Do not assume content reflects current scientific knowledge, policies, or practices.





# REPORT

United States  
Department of  
Agriculture  
Foreign  
Agricultural  
Service  
Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 40-82

WASHINGTON, Oct. 6--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

## GRAIN AND FEED

After an extended absence, the SOVIET UNION recently returned to the U.S. grain market. Exporters reported corn sales to the Soviets of 1.5 million tons, the first significant grain activity between the two countries since last March. These sales mark the first transaction under the seventh year of the U.S.-USSR Long-Term Agreement, which covers the October-September 1982/83 period. The Agreement calls for the USSR to purchase annually a minimum of 6 million tons of wheat and corn combined in approximately equal proportions. The USSR may purchase a total of an additional 2 million tons of wheat and/or corn without prior consultations.

\*\*\*\*\*

The EUROPEAN COMMUNITY (EC) has reported that from 800,000-1.0 million tons of French wheat has been sold to the Soviet Union for delivery in 1982/83. This marks the second consecutive year of large French wheat sales to the Soviets. Because internal EC wheat prices are significantly higher than world market prices, any sales to the USSR would require export subsidies of around \$70 per ton.

\*\*\*\*\*

A potential record 1982 SOUTH AFRICAN wheat crop, following last season's good outturn, is likely to result in wheat exports of 150,000-250,000 tons. South Africa had been a net wheat exporter in the 1973/74-1979/80 period, with average annual exports of about 200,000 tons. However, South African wheat imports were necessary in the past two seasons to help maintain sufficient stock levels following the disappointing 1980/81 crop. For 1982/83, wheat producer prices have been raised 14 percent over last year's level, reaching R275.00 per ton (about \$239). The South Africans will incur heavy financial losses on any exported wheat. Current depressed wheat prices may result in losses averaging about \$75-\$100 per ton, or a potential seasonal loss of \$10-\$25 million.

\*\*\*\*\*

-more-

LYNN KRAWCZYK, Editor, Tel. (202) 382-9442. Additional copies may be obtained from FAS Information Services Staff, 5918-South, Washington, D.C. 20250. Tel. (202) 447-7937.



Although JAPAN initially planned to buy 200,000 tons of Thai corn, it will reportedly buy U.S. corn instead because of tight supplies in Thailand until the new crop becomes available. Although U.S. wheat exports to Japan are holding up fairly well in 1982, U.S. feed grain sales to Japan are off due to the increased price competitiveness of South African and Argentine corn or grain sorghum and to the wait-and-see attitude of Japanese buyers. The U.S. share of the Japanese market for corn and sorghum thus far this year is off about 15 and 24 percent, respectively. However, the opportunity to supply Japan with U.S. corn in lieu of Thai corn will somewhat offset this year's drop in U.S. feed grain exports to the important Japanese market.

\*\*\*\*\*

CANADA's barley exports in August and September fell behind last season's movement by about 200,000 tons despite record export availabilities. To date, low world barley prices have likely resulted in net losses to the Canadian barley pool of an estimated C\$1.8 million, partially explaining the slowdown in shipments. Net returns to the pool are currently estimated to be about C\$3 per ton below the initial producer payment level of C\$110 per ton. Given current prices, Canadian barley exports are not likely to exceed last season's record 5.7 million tons.

\*\*\*\*\*

The UNITED KINGDOM's 1982 grain crop is expected to reach a record level 12 percent above last year's 19.4 million tons, according to the U.S. agricultural counselor in London. Favorable weather conditions throughout the growing and harvest seasons, shifts to higher yielding wheat and barley varieties, and increases in sown area are responsible for this high production level. Wheat production is expected to surpass last year's record 8.6 million tons by 22 percent, while barley production may be up by 3 percent from last year's 10.1 million tons.

#### OILSEEDS AND PRODUCTS

In an effort to bolster its ailing coconut industry, the PHILIPPINES' government recently announced plans to redirect copra and coconut oil exports into various domestic programs aimed at arresting the downswing in coconut product prices. On September 2, all intermittent or unscheduled exports of coconut oil were immediately stopped and the Philippine National Oil Company was directed to buy available coconut oil for use in the government-sponsored coco-diesel program. Only four firms reportedly continue to export coconut oil. These firms have been operating at more than 65 percent capacity and exporting more than 40,000 tons of coconut oil annually. Previously, 31 firms had been exporting coconut oil.

To ensure sufficient copra supplies to local coconut oil mills, all exports of copra were suspended on September 14. Copra exports in the first 8 months of 1982 were more than triple the 1981 level of nearly 48,000 tons. Philippine coconut product exports are as follows:

-more-



	1981 1/	1982 1/	Percent Change
Coconut Oil			
1,000 tons	725.1	650.8	-10.2
Million \$	380.2	296.9	-21.9
Copra			
1,000 tons	47.6	148.3	221.5
Million \$	15.7	41.9	166.9
Dessicated Coconut			
1,000 tons	56.0	56.0	--
Million \$	70.0	46.5	-33.6
Copra Meal			
1,000 tons	396.7	393.4	-1.8
Million \$	53.9	48.6	-9.8
Others			
1,000 tons	29.6	20.4	-31.1
Million \$	12.4	8.8	-29.0
Total Value	532.2	442.7	-16.8

---

1/ January-August.

\*\*\*\*\*

MALAYSIA--the world's leading producer and exporter of palm oil--is now expected to produce 3.4 million tons in calendar 1982, 100,000 tons above the previous estimate and about 575,000 tons, or one-fifth, above the 1981 volume, according to the U.S. agricultural attache in Kuala Lumpur. In 1983, Malaysia's palm oil production is expected to approximate 3.7 million tons, about 9 percent above the revised 1982 estimate, the attache also reports.

Historically, Malaysia's palm oil production expansion was largely a function of increasing tree numbers and changes in rainfall. However, the historical production trend, which was moving up at about 215,000 tons per year, appears to have been surpassed in 1982 reflecting the introduction of the Cameroon weevil earlier this year. This resulted in improved pollination and yields.

#### DAIRY, LIVESTOCK AND POULTRY

In KENYA, the director of veterinary services in Nairobi recently announced the outbreak of foot and mouth disease (FMD) in the area. In reaction to the outbreak of FMD, all livestock entries for the Nairobi International Show, except horses, poultry and rabbits, were cancelled. All exhibitors for the September 28 show were informed that entry fees would be refunded for animals entered into the various livestock classes affected by the outbreak of FMD.

\*\*\*\*\*

-more-



Production of chicken meat in the PHILIPPINES is expected to climb 9 percent to 222,000 tons this year, with another 6 percent increase projected for 1983. Poultry numbers on Jan. 1, 1983, are forecast to be up 5 percent. Adequate supplies of feed and higher prices for chicken meat represent a turnaround from the tight feed supply situation and declining poultry sector of only 2 years ago.

\*\*\*\*\*

Milk production in KOREA during 1982 is expected to total 556,000 tons, up 8 percent from 1981. A nearly 15 percent increase is forecast for 1983. The rapid increase is largely due to government support of expanded production through support price increases, as well as strong market demand and lower feed prices. Most of the increase will be utilized as fresh milk, as Korean production of dairy products is still very limited.

#### COTTON AND FIBERS

BANGLADESH recently agreed to divest itself of 23 nationalized textile mills in an attempt to improve mill efficiency and attract foreign investment. The government and the Bangladesh Textile Mills Owners Association are negotiating the terms and conditions of the agreement. Although no major changes are anticipated for at least 12 months, chances are that more U.S. cotton may be sold to this market in the future as import procedures move from government bilateral purchasing agreements to private mills procuring cotton through international bids.

#### TOBACCO

CHINA's cigarette stocks at the end of June 1982 were 63.8 percent higher than a year ago, according to the China National Tobacco Corporation (CNTC). Consequently, concern has been expressed as excess inventories are reportedly tying up funds. The more than 200 out-of-plan cigarette factories are blamed for the sharp increases in supplies, as the production potential of these sideline industries seems to have been ignored or underestimated in setting the country's production target. The CNTC also stated that, with the exception of established brands, most cigarettes are experiencing retail difficulties. To correct the oversupply, stricter controls on cigarette production will be enforced.

The current cigarette overstocking apparently resulted from a combination of measures implemented during early 1981 to meet a short supply of cigarettes. These measures included improved efficiency in cigarette manufacturing, increased production of filter-tips and higher priced brands, and greater utilization of types of tobacco other than flue-cured. In addition, China had a record tobacco harvest in 1981 and imported substantial quantities of foreign leaf. With China's 1981 cigarette output at a record level of 866 billion pieces, 14 percent above the previous year's high, and the 1982 cigarette output heading for a new record, it appears that some re-adjustments in cigarette production/consumption levels may be necessary.

-more-



## COFFEE, TEA AND COCOA

WORLD cocoa production for 1982/83 is estimated to be 1.70 million tons, virtually the same as the 1.71 million tons produced in 1981/82. Production is expected to exceed consumption for the sixth consecutive year. Decreased production in West African countries will be nearly offset by increases elsewhere. Production in the four major West African producing countries (Cameroon, Ghana, Ivory Coast and Nigeria) is expected to decline to 932,000 tons from 972,000 tons in 1981/82 because of less favorable growing conditions in the Ivory Coast and Nigeria. The decline in the Ivory Coast is expected in spite of a larger area harvested. Production in Cameroon and Ghana is expected to remain nearly the same as in 1981/82.

South American production is expected to increase to nearly 480,000 tons from 464,000 tons last year, due mainly to an anticipated 12,000-ton increase in Brazil attributed to increased area. Small increases are expected in Colombia and Ecuador from an expanded bearing area. Higher domestic prices in Ecuador and the resulting improvement in cultural practices should lead to increased production.

In Malaysia, production for 1982/83 is estimated to be 75,000 tons, up 25 percent from year-earlier levels. The sharply rising output results from increased yields from young, maturing trees and a further increase in harvested area (up nearly 80 percent since 1980/81). Production in Mexico is expected to increase to 42,000 tons due to better cultural practices. Production in the Dominican Republic is estimated at 37,000 tons, down 2.6 percent from last year.

## VEGETABLES

DENMARK's potato crop for the July-June 1982/83 season is forecast at 875,000 tons, according to the U.S. agricultural counselor in Copenhagen. The 1981/82 crop was a record 1,082,000 tons. Total harvested area this season is expected to remain at 34,000 hectares, unchanged from the previous 2 years.

\*\*\*\*\*

MEXICO's early plantings of vegetables (especially tomatoes, cucumbers and sweet peppers) in Northern Sinaloa have experienced some rain and severe wind from Hurricane Paul, which moved through the area on the morning of September 30. Planting of many vegetables in the area had been ongoing throughout the month of September. Damage to these plantings will delay early December harvest of vegetables, which are traditionally exported to the United States early in the shipping season.

\*\*\*\*\*

In CANADA, the 1982 onion crop is forecast at 132,200 tons 5.5 percent above the 1981 level, according to the U.S. agricultural counselor in Ottawa. The 1982 total area of 4,040 hectares is nearly 4 percent above the previous year.

-more-



FRUITS AND NUTS

The official USDA estimate of NORTHERN HEMISPHERE apple production for the 1982 season has been revised to 13.8 million tons, up 5 percent from the 13.2 million tons reported Aug. 18, 1982 (WR 33-82), and 27 percent above the 1981 outturn. Bumper harvests in the United States, Austria, France, West Germany, Italy and the United Kingdom will more than offset this year's weather-damaged crops in such key producing countries as Spain and Yugoslavia.

The combined output of pears in the Northern Hemisphere remains virtually unchanged from the August estimate, but is 5 percent below the 1981 level. Data are as follows in 1,000 tons:

APPLES AND PEARS: PRODUCTION OF DESSERT AND COOKING VARIETIES  
IN SPECIFIED COUNTRIES, 1981-82 1/

CONTINENT AND COUNTRY	(-----APPLES-----)		(-----PEARS-----)	
	1981	September 1982 <u>2/</u> Estimate	1981	September 1982 <u>2/</u> Estimate
NORTH AMERICA				
Canada 3/.....	416	464	35	37
United States 3/.....	3,512	3,894	809	711
Total .....	3,928	4,358	844	748
EUROPE				
EC				
Belgium-Luxembourg 3/..	134	258	58	78
Denmark 3/.....	43	65	6	4
France 4/.....	1,468	1,852	428	398
Germany, Fed. Rep. of :	773	2,150	276	430
Greece .....	300	254	115	103
Italy .....	1,773	2,246	1,237	1,044
Netherlands 3/.....	260	375	90	90
United Kingdom 4/.....	227	291	49	39
Total .....	4,978	7,491	2,259	2,186
OTHER EUROPE				
Austria 4/.....	186	323	31	56
Norway .....	54	54	10	11
Spain 4/.....	1,064	939	520	456
Sweden 3/.....	29	39	6	6
Switzerland 3/...4/...	83	130	15	20
Yugoslavia .....	505	440	137	130
Total .....	1,921	1,925	719	679
Total Europe .....	6,899	9,416	2,978	2,865
GRAND TOTAL.....	10,827	13,774	3,822	3,613

1/ May include cider varieties not reported separately by some countries.  
2/ Preliminary. 3/ Commercial crop. 4/ Excludes cider apples.

SOURCE: Based on official country statistics, U.S. agricultural counselor and attache reports, results of office research, field travel, and related information.



# Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Oct. 5, 1982	Change from previous week	A year ago
	\$ per m. ton	\$ per bu.	¢ per bu.
Wheat			
Canadian No. 1 CWS-13.5%.....	191.00 7/	5.20	1/
U.S. No. 2 DNS/NS: 14%.....	168.00	4.57	-.14
U.S. No. 2 DHW/HW: 13.5%.....	1/	1/	1/
U.S. No. 2 S.R.W.....	129.00	3.51	-.25
U.S. No. 3 H.A.D.....	166.00	4.52	-0-
Canadian No. 1 A: Durum.....	1/	1/	1/
Feed grains:			
U.S. No. 3 Yellow Corn.....	101.00	2.57	-.12
U.S. No. 2 Sorghum 2/.....	1/	1/	1/
Feed Barley 3/.....	1/	1/	1/
Soybeans:			
U.S. No. 2 Yellow.....	204.80	5.57	-.26
Brazil 47/48% Soya Pellets 4/.....	188.00	--	-14.00 5/
U.S. 44% Soybean Meal (MT).....	178.00	--	-13.50 5/
EC Import Levies			
Wheat 6/.....	116.07	3.16	+.36
Barley.....	102.33	2.23	+.11
Corn.....	110.50	2.81	+.16
Sorghum.....	101.89	2.59	+.11

1/ Not available. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Dollars per metric ton. 6/ Durum has a special levy. 7/ November shipment.

Note: Basis October delivery.

**UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D.C. 20250**

**OFFICIAL BUSINESS  
PENALTY FOR PRIVATE USE, \$300**

**FIRST-CLASS MAIL  
POSTAGE & FEES PAID  
USDA-FAS  
WASHINGTON, D.C.  
PERMIT No. G-262**

If your address should be changed \_\_\_\_\_ **PRINT  
OR TYPE** the new address, including **ZIP CODE** and  
return the whole sheet and/or envelope to:

**FOREIGN AGRICULTURAL SERVICE, Room 5918 So.  
U.S. Department of Agriculture  
Washington, D.C. 20250**